



**REMEMBER TO  
SILENCE ME.**



**All Commission meetings are open to the  
public and subject to live video  
presentation.**

**PLEASE KEEP TALKING TO A MINIMUM**

#### LUNCH

\* a market across the street (offers sandwiches, snacks, drinks)  
\* a small cafeteria on the 1<sup>st</sup> floor of the Andrew Johnson Tower  
(710 James Robertson Parkway - walk towards 8<sup>th</sup> Avenue)  
\* The Music City Circuit Blue Line (Green Bus) stops in front of the  
Davy Crockett Tower approximately every 10 - 15 minutes. There  
is a stop at the Arcade where there are many restaurants.

**REMEMBER, THOSE ATTENDING FOR CONTINUING  
EDUCATION CREDIT MUST SIGN IN/OUT. Do not sign in and**

**out at the lunch break. An evaluation form is included in  
your packet. Please complete the evaluation and leave at the  
sign in/out area at the conclusion of the meeting.**

#### TREC STAFF

Eve Maxwell, Executive Director  
Steve McDonald, Education Director  
Mark K. Green, Assistant General Counsel  
Kelly McDermott, Administrative Secretary  
DEPARTMENT STAFF  
Bill Giannini, Assistant Commissioner, Regulatory Boards  
Julie Mix McPeak, Commissioner, Commerce & Insurance

## MEETING INFORMATION BOOKLET



*welcome*

Chairman Isaac Northern  
Vice-Chair Bear Stephenson  
Wendell Alexander  
Grover Collins  
David Filtrcroft

Michelle Haynes  
Valerie Joh  
Janet DiChiara  
Austin McMullen

## ABOUT THE COMMISSION (T.C.A. §62-13-201)

T.C.A. §62-13-201 creates the Commission. The Commission is made up of 9 members, 7 of whom are real estate practitioners and 2 are consumer members - all appointed by the Governor. Three appointees come from each of the 3 grand divisions of Tennessee. Each Commissioner is appointed for a 5 year term and the terms are staggered so that no more than 3 Commissioners begin their term at the same time.

The Commission holds a two day meeting each month, generally in Nashville and is supported by an administrative staff consisting of an Executive Director and Administrative Support Staff. The Commission travels to hold meetings in the other grand divisions of the State of Tennessee 2 to 3 times a year.

### Members of the Commission

|                                                                              |                                                                                 |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Chairman Isaac Northern, Jr.</b><br>Industry Member<br>Memphis, Tennessee | <b>Vice-Chairman "Bear" Stephenson</b><br>Industry Member<br>Clinton, Tennessee |
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|                                                                   |                                                                  |
|-------------------------------------------------------------------|------------------------------------------------------------------|
| <b>Wendell Alexander</b><br>Industry Member<br>Dresden, Tennessee | <b>Grover Collins</b><br>Industry Member<br>Lewisburg, Tennessee |
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|                                                                   |                                                                  |
|-------------------------------------------------------------------|------------------------------------------------------------------|
| <b>David Filcricht</b><br>Consumer Member<br>Knoxville, Tennessee | <b>Michelle Haynes</b><br>Industry Member<br>Gallatin, Tennessee |
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|                                                               |                                                         |
|---------------------------------------------------------------|---------------------------------------------------------|
| <b>Valerie Joh</b><br>Industry Member<br>Kingsport, Tennessee | <b>Janet Dichiera</b><br>Industry Member<br>Jackson, TN |
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|                                                            |
|------------------------------------------------------------|
| <b>Austin McMullen</b><br>Consumer Member<br>Nashville, TN |
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**COMMISSION MEETING DATES**  
500 James Robertson Parkway, Suite 160  
Davy Crockett Tower, Nashville Tennessee  
(unless otherwise noted)

### 2011 Meeting Schedule

**January 12 - 13, 2011 (Wed. & Thurs.)**

**February 9 - 10, 2011 (Wed. & Thurs.)**

**Monday, March 21, 2011 @ 9 a.m. - Nashville**

**Tuesday, March 22, 2011 @ 11 a.m. - Franklin**

**Tuesday, March 22 - Q&A session at TAR Spring Conference**

Franklin Marriott Cool Springs

Saddlebred/Highland/Morgan Room

700 Cool Springs Blvd.

Franklin, TN 37067

**April 13 - 14, 2011 (Wed. & Thurs.)**

**May 12 - 13, 2011 (Thurs. & Fri.) - Memphis**

Shelby County Administration Building

1st Floor County Commission Chambers

160 N. Main Street

Memphis, TN 38103

**June 8 - 9, 2011 (Wed. & Thurs.)**

**July 6 - 7, 2011 (Wed. & Thurs.)**

**August 10 - 11, 2011 (Wed. & Thurs.)**

**September 8 - 9, 2011 (Thurs. & Fri.) - Chattanooga**

Development Resource Building

First Floor Conference Room 1A

1250 Market Street

Chattanooga, TN 37042

**October 13 - 14, 2011 (Thurs. & Fri.) - Kingsport**

Kingsport Center for Higher Education

1st Floor Auditorium

300 Market Street

Kingsport, TN 37660

**November 9 - 10, 2011 (Wed. & Thurs.)**

**December 7 - 8, 2011 (Wed. & Thurs.)**

DID YOU KNOW?????

OUR WEBSITE CONTAINS VALUABLE INFORMATION AND HELP!  
Pay us a visit at [www.state.tn.us/commerce/boards/trec](http://www.state.tn.us/commerce/boards/trec) and check us out.

#### ONLINE FORMS & APPLICATIONS (pdf format)

- ✓ Application for Firm or Branch Office License
- ✓ Non-Resident Firm Application
- ✓ Reciprocity Application
- ✓ Vacation Lodging Service License Application
- ✓ Application for Decision Regarding Prior Criminal Conviction(s) and/or Disciplinary Sanction(s)
- ✓ Worksheet A - Education & Examination Evaluation
- ✓ Transfer, Release, and change of status (TREC Form)
- ✓ Voluntary Surrender License
- ✓ Alternate and Equivalent E&O Insurance Coverage
- ✓ Certification Request Form (License History)
- ✓ Sample E&O Policy
- ✓ Request for Waiver of Escrow Account
- ✓ Complaint Form
- ✓ Affidavit for Release
- ✓ Tennessee Broker Examination Application
- ✓ Tennessee Nonresident Applicant Consent to Suits
- ✓ Supplemental Application for Timeshare Salespersons or Acquisition Agent License

#### LICENSING RESOURCES

- License Requirements
- Approved Schools/Courses (to access approved schools/courses, enter the login: *guest* and password: *report*)
- Verification of License & Education History

#### VALUABLE RESOURCES

- Frequently Asked Questions
- Downloadable Reports
- The Official Manual of the TREC
- Complete TREC Examination Information Booklet

#### ABOUT THE MEETING

Welcome to the Tennessee Real Estate Commission meeting. In order to better understand the agenda items, we have provided the following information. The Commission strives to follow the agenda but there are some circumstances which require the times of certain items to be changed. The Chair will call attention to such changes. The basic agenda will have the following items listed with the anticipated time frames:

Call to Order  
Roll Call  
Invocation  
Adopt Agenda  
Approval of Minutes  
Informal Applicant Conferences/Licensee Requests  
Education Report  
Legal Report  
Executive Director's Report  
Commissioner Reports  
Other Items As May Need to Appear Before the Commission  
\*\*\*\*\*

**GLOSSARY:** also see definitions at T.C.A. §62-13-102

**Broker Act** The Tennessee statute (law) which regulates the practice of real estate

**Civil Penalty** Monetary fine levied by the Commission for a violation of the Tennessee Broker's Act

**Complainant** The person who makes a complaint

**Respondent** Licensee (or in some instances a non-licensed person/entity) about whom a complaint has been made

**Licensee** Individual or Firm which has received a license awarded by the Tennessee Real Estate Commission

**REALTOR®** A person who is a member of the National, State and/or Local Association of REALTORS®

**NOTES:**

[illegible]

Assistant General Counsel will present anonymous complaints to the Commission and they will render a decision based on review and discussion. Other information pertinent to the Commission regarding complaints, legislation or any legal concern may be addressed as well.

The Executive Director will present individuals who have had criminal convictions and have provided documentation (including copies of court documents) detailing the offense. The applicant appears with their potential Principal Broker. The Commission will review the documentation and make its determination as to whether the individual meets the qualifications for licensing.

The Executive Director will present statistical data regarding complaints and licensing to the Commission. Additionally, other important Commission business will be discussed.

Licensees appear before the Commission with special requests regarding their licenses. Applicants appear with their potential principal brokers regarding waivers to rules (i.e. the 50 mile rule).

**ADDITIONAL LEGAL MATTERS**

**NOTES**

**Discussion Materials or Final Drafts of:**

- Rules which need to be added, amended or deleted
- Laws which need to be added, amended or deleted
- Policies which need to be added, amended or deleted
- Other legal matters initiated by the commission, the Department of Commerce and Insurance or the Office of Legal Counsel.
- Upcoming formal hearings

**EXECUTIVE DIRECTOR'S REPORT**

– The Executive Director will place agenda items or discussion items before the Commission for review. Such items may include, but are not limited to:

- Department of Commerce and Insurance and/or Division of Regulatory Boards initiatives or directives,
- awards,
- reports,
- licensee requests
- license renewal update
- staff changes/training
- upcoming meetings and
- any other matters as may arise.

**Commissioner Reports**

Each Commissioner has the opportunity to report on meetings attended, comments they have received from licensees or other matters of interest.

**APPLICANT CONFERENCE(S)**

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**PRELIMINARY REQUEST(S)**

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## NOTES FROM THE COMPLAINT REPORT

**Dismiss** – no substantiated complaint or no violation of the Broker Act

**Letter of Warning** – a letter to the licensee indicating the behavior which instigated the complaint needs to stop

**Formal Hearing** – A formal hearing is somewhat like a trial

**Formal Hearing** – A formal hearing is somewhat like a trial where the licensee will be sent a Notice of Hearing requiring him/her to appear before the Commission. The Commission's legal counsel will act as "prosecutor" and the Commission will act as "jury". There will be an Administrative Law Judge present who will explain the process and insure the proceedings are carried out in accordance with all applicable law and rules. The Commission will 1) make "findings of fact" which means the Commission will decide what happened relative to a particular party's behavior; 2) make "conclusions of law" based upon the findings of fact by making a plain statement of what violation of a statute or rule was or was not committed by the Respondent 3) decide a remedy, penalty or discipline as appropriate and 4) decide a policy reason for their decision.

**REMEMBER TO  
TURN OFF ALL  
CELL PHONES**



**TENNESSEE REAL ESTATE COMMISSION  
MEETING AGENDA**

Kingsport Center for Higher Education  
1<sup>st</sup> Floor Meeting Room  
300 Market Street  
Kingsport, TN 37660  
423-354-5151

**THURSDAY, OCTOBER 13, 2011**

**9:00 a.m. CALL TO ORDER**

- Roll Call
- Invocation
- Adopt Agenda
- Approve and/or Revise Minutes

**9:05 a.m. FORMAL HEARING**

TREC v. Magical Mountain Cabins, LLL through Robert Newpoff  
Complaint # 2011010402, 2011010401  
Docket # 12.8-113664A

**11:30 a.m. – 1:00 p.m. LUNCH**

**EXECUTIVE DIRECTOR REPORT, EVE MAXWELL, EXECUTIVE DIRECTOR**

|       |                               |
|-------|-------------------------------|
| Tab 1 | ○ Complaint Report            |
| Tab 2 | ○ Licensing Statistics        |
| Tab 3 | ○ Errors & Omissions Overview |
| Tab 4 | ○ VLS Overview                |

**1:30 p.m. – 1:45 p.m.** Requested Appearance by licensee Michael Allen,  
Broker, GRI, CRS - wishes to address Commission  
regarding E&O penalty

**Times are subject to change**

Commission meetings will be conducted by permitting participation  
of the Commission members by electronic means of communication  
if necessary. Any member participation by electronic means shall be  
audible to the public at the location specified above.

**THURSDAY, OCTOBER 13, 2011 (continued)**

**1:45 p.m. INFORMAL TIMESHARE APPLICANT APPEARANCE**

|              |                                                                |
|--------------|----------------------------------------------------------------|
| <b>Tab 5</b> | <input type="radio"/> Terry Dale, applicant; PB Phyllis Sissum |
|--------------|----------------------------------------------------------------|

**LEGAL REPORT, MARK GREEN, ASST. GENERAL COUNSEL**

|              |                                         |
|--------------|-----------------------------------------|
| <b>Tab 6</b> | <input type="radio"/> Legal Report      |
| <b>Tab 7</b> | <input type="radio"/> Consent Order Log |

**RECESS**

**FRIDAY, OCTOBER 14, 2011**

**9:00 a.m. ☐ CALL TO ORDER**

**EDUCATION REPORT, STEVE MCDONALD, EDUCATION DIRECTOR**

|               |                                                            |
|---------------|------------------------------------------------------------|
| <b>Tab 8</b>  | <input type="radio"/> Course Review                        |
| <b>Tab 9</b>  | <input type="radio"/> Instructor Review                    |
| <b>Tab 10</b> | <input type="radio"/> October Course totals                |
| <b>Tab 11</b> | <input type="radio"/> October Poll of Associations members |

**ADJOURN**

**Times are subject to change**

Commission meetings will be conducted by permitting participation of the Commission members by electronic means of communication if necessary. Any member participation by electronic means shall be audible to the public at the location specified above.



**COMPLAINTS OVER 180 DAYS**

|   | FELLOW<br>CONSUMER<br>PRACTITIONER | CONCERNED<br>CITIZEN | LEGAL | INVESTGAT | OUTSIDE<br>AGENCY | STAFF | ANONOM | BOARD | TOTALS | Over 180<br>Days |
|---|------------------------------------|----------------------|-------|-----------|-------------------|-------|--------|-------|--------|------------------|
| 4 | 3                                  | 0                    | 0     | 0         | 0                 | 3     | 0      | 0     | 0      | 10               |

**TOTAL CIVIL PENALTIES PAID FOR FISCAL YEAR 07/01/2010 - 06/30/2011**

| FY        | JUL         | AUG         | SEPT        | OCT         | NOV         | DEC         | JAN        | FEB         | MARCH       | APRIL      | MAY        | JUNE        | TOTALS       |
|-----------|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|------------|------------|-------------|--------------|
| 2010-2011 | \$19,030.00 | \$38,050.00 | \$24,180.00 | \$31,810.00 | \$21,570.00 | \$14,650.00 | \$7,466.00 | \$19,110.00 | \$10,520.00 | \$5,547.00 | \$2,870.00 | \$14,510.00 | \$209,313.00 |

**TOTAL CIVIL PENALTIES PAID FOR FISCAL YEAR 07/01/2011 - 06/30/2012**

| FY        | JUL         | AUG         | SEPT        | OCT | NOV | DEC | JAN | FEB | MARCH | APRIL | MAY | JUNE | TOTALS      |
|-----------|-------------|-------------|-------------|-----|-----|-----|-----|-----|-------|-------|-----|------|-------------|
| 2011-2012 | \$18,840.00 | \$27,800.00 | \$18,545.00 |     |     |     |     |     |       |       |     |      | \$65,185.00 |

**REAL ESTATE COMMISSION CODES**

2501 - AFFILIATE BROKERS/BROKERS/PRINCIPAL BROKERS  
 2502 - FIRMS  
 2503 - RENTAL LOCATION FIRMS  
 2504 - RENTAL LOCATION AGENTS  
 2505 - TIME SHARE REGISTRATION  
 2506 - VACATION LODGING  
 2507 - ACQUISITION AGENTS  
 2508 - ACQUISITION REPRESENTATIVES  
 2509 - ACQUISITION AGENTS

State of Tennessee  
Department of Commerce and Insurance  
REAL ESTATE COMMISSION  
OPEN COMPLAINT REPORT BY SOURCE  
Period: FY 2010 - 2011

| PROFESSION                   | CONSUMER | FELLOW PRACTITIONER | CONCERNED CITIZEN | LEGAL | INVESTIGATIONS | OUTSIDE AGENCY | STAFF | ANONIM | BOARD | TOTALS |
|------------------------------|----------|---------------------|-------------------|-------|----------------|----------------|-------|--------|-------|--------|
| 2501/ Broker/ Affiliates     | 41       | 5                   | 0                 | 0     |                | 0              | 114   | 0      |       | 160    |
| 2502/ Firms                  | 2        | 1                   | 0                 |       |                |                | 2     |        |       | 5      |
| 2503/ Rental Loc. Firm       |          |                     |                   |       |                |                |       |        |       | 0      |
| 2504/ Rental Loc. Agent      |          |                     |                   |       |                |                |       |        |       | 0      |
| 2505/ Timeshare Registration |          |                     |                   |       |                |                |       |        |       | 0      |
| 2506/ Vac. Lodging           | 1        |                     |                   |       |                |                | 1     |        |       | 2      |
| 2507/ Acq. Agent Reg.        |          |                     |                   |       |                |                |       |        |       | 0      |
| 2508/ Acq. Rep. Reg.         |          |                     |                   |       |                |                |       |        |       | 0      |
| 2509/ Acq. Agent License     |          |                     |                   |       |                |                |       |        |       | 0      |
| TOTALS                       | 44       | 6                   | 0                 | 0     | 0              | 0              | 117   | 0      | 0     | 167    |

|                          |     |
|--------------------------|-----|
| TOTAL OPEN COMPLAINTS =  | 61  |
| TOTAL AGREED CITATIONS = | 7   |
| TOTAL E&O COMPLAINTS =   | 99  |
| TOTAL =                  | 167 |

| TOTAL COMPLAINTS REC'D SINCE LAST COMMISSION MEETING |             |              |              |             |             |             |             |             |             |            |            |             |
|------------------------------------------------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|-------------|
| FY                                                   | Jul. - Aug. | Aug. - Sept. | Sept. - Oct. | Oct. - Nov. | Nov. - Dec. | Dec. - Jan. | Jan. - Feb. | Feb. - Mar. | Mar. - Apr. | Apr. - May | May - June | June - July |
| 2010 - 2011                                          | 23          | 45           | 42           | 32          | 23          | 26          | 23          | 22          | 19          | 19         | 27         | 30          |
| Referrals                                            |             |              |              |             |             |             |             |             |             |            |            |             |
| TOTAL COMPLAINTS REC'D SINCE LAST COMMISSION MEETING |             |              |              |             |             |             |             |             |             |            |            |             |
| FY                                                   | Jul. - Aug. | Aug. - Sept. | Sept. - Oct. | Oct. - Nov. | Nov. - Dec. | Dec. - Jan. | Jan. - Feb. | Feb. - Mar. | Mar. - Apr. | Apr. - May | May - June | June - July |
| 2011 - 2012                                          | 28          | 37           | 19           |             |             |             |             |             |             |            |            |             |
| Referrals                                            |             |              |              |             |             |             |             |             |             |            |            |             |
| TOTALS                                               |             |              |              |             |             |             |             |             |             |            |            | 84          |

State of Tennessee  
Department of Commerce and Insurance  
Division of Regulatory Boards  
**REAL ESTATE COMMISSION**  
**OPEN/CLOSED COMPLAINT REPORT by STATUS**  
**Prepared by: Conell House 09/30/11**

**REAL ESTATE - TOTAL OPEN COMPLAINTS**

|                                |            |
|--------------------------------|------------|
|                                |            |
| Open Staff Waiting Response =  | 18         |
| Open Staff - Referred to Legal | 149        |
| <b>TOTAL OPEN COMPLAINTS =</b> | <b>167</b> |

|                                                            |            |
|------------------------------------------------------------|------------|
| <b>CLOSED COMPLAINTS - FISCAL YEAR (7-1-10 - 06-30-11)</b> |            |
| Closed with no action =                                    | 78         |
| Referral to Outside Agency =                               | 4          |
| Closed with Letter of Warning/Instruction =                | 25         |
| Closed with Consent Order =                                | 46         |
| Revocations =                                              | 3          |
| <b>TOTAL CLOSED FOR YEAR TO PRESENT DATE =</b>             | <b>156</b> |

|                                                            |           |
|------------------------------------------------------------|-----------|
| <b>CLOSED COMPLAINTS - FISCAL YEAR (7-1-11 - 06-30-12)</b> |           |
| Closed with no action =                                    | 21        |
| Referral to Outside Agency =                               | 3         |
| Closed with Letter of Warning/Instruction =                | 2         |
| Closed with Consent Order =                                | 16        |
| Revocations =                                              | 2         |
| <b>TOTAL CLOSED FOR YEAR TO PRESENT DATE =</b>             | <b>44</b> |

# **Number of Licensees as of 9/30/2011**

(figures in parentheses are differences from numbers reported last month)

| Type          | Active              | Inactive            | Retired             | Broker Release*  | Grand Total          |
|---------------|---------------------|---------------------|---------------------|------------------|----------------------|
| People        | 24,577 (-65)        | 1,843 (-186)        | 10,168 (+32)        | 541 (-44)        | 37,129 (-263)        |
| Firms         | 4,167 (+3)          |                     | 331 (-1)            |                  | 4,498 (+2)           |
| <b>Totals</b> | <b>28,744 (-62)</b> | <b>1,843 (-186)</b> | <b>10,499 (+31)</b> | <b>541 (-44)</b> | <b>41,627 (-261)</b> |

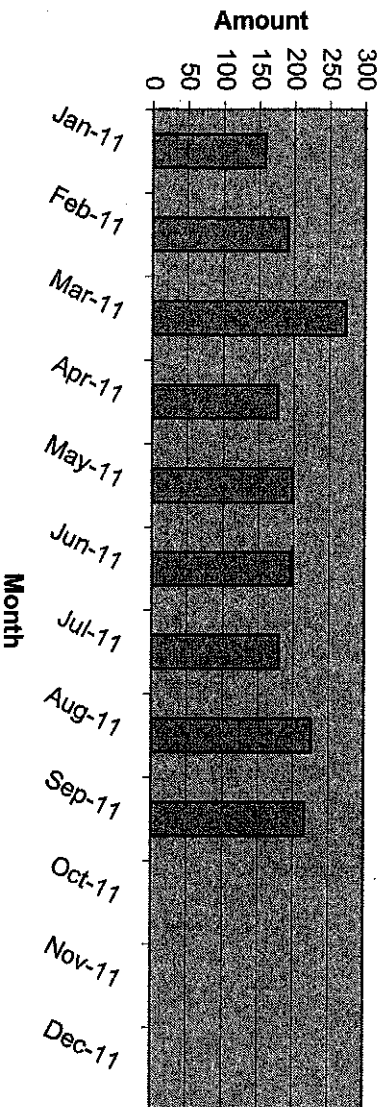
\*Broker Released licensees are those usually in the process of transferring or going inactive/retired.

|                                    |          |
|------------------------------------|----------|
| Timeshare Registrations Active     | 200 (+1) |
| Vacation Lodging Services Active   | 134 (+2) |
| Licensed Acquisitions Agent Active | 108 (+4) |

# **Real Estate Licenses Approved by Type 2011**

| Type of License           | Jan-11     | Feb-11     | Mar-11     | Apr-11     | May-11     | Jun-11     | Jul-11     | Aug-11     | Sep-11     | Oct-11 | Nov-11 | Dec-11 | Yearly Total |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------|--------|--------|--------------|
| Affiliate Broker          | 94         | 118        | 143        | 98         | 93         | 109        | 91         | 117        | 90         |        |        |        | 953          |
| Broker                    | 24         | 18         | 32         | 14         | 21         | 18         | 15         | 26         | 23         |        |        |        | 191          |
| Non-Resident              | 6          | 7          | 19         | 8          | 14         | 17         | 16         | 17         | 18         |        |        |        | 122          |
| Firm                      | 20         | 21         | 32         | 12         | 23         | 18         | 15         | 20         | 14         |        |        |        | 175          |
| Non-Resident Firm         | 4          | 4          | 13         | 3          | 7          | 11         | 6          | 8          | 5          |        |        |        | 61           |
| Timeshare                 | 4          | 15         | 31         | 37         | 36         | 21         | 35         | 28         | 32         |        |        |        | 239          |
| Vacation Lodging Services | 6          | 5          | 2          | 4          | 3          | 1          | 0          | 0          | 15         |        |        |        | 36           |
| Acquistion Agent          | 0          | 3          | 1          | 1          | 1          | 1          | 1          | 8          | 4          |        |        |        | 20           |
| Designated Agent          |            |            |            |            |            |            |            | 1          | 15         |        |        |        |              |
| <b>Totals</b>             | <b>158</b> | <b>191</b> | <b>273</b> | <b>177</b> | <b>198</b> | <b>196</b> | <b>179</b> | <b>225</b> | <b>216</b> |        |        |        | <b>1813</b>  |
| Real Estate Firm Closures | 31         | 31         | 25         | 18         | 24         | 25         | 13         | 9          | 5          |        |        |        | 181          |
| Real Estate Firm Retired  | 28         | 11         | 7          | 6          | 14         | 7          | 6          | 9          | 5          |        |        |        | 93           |
| VLS Firm Closures/Expired |            |            | 2          | 1          |            |            |            | 1          |            |        |        |        | 4            |

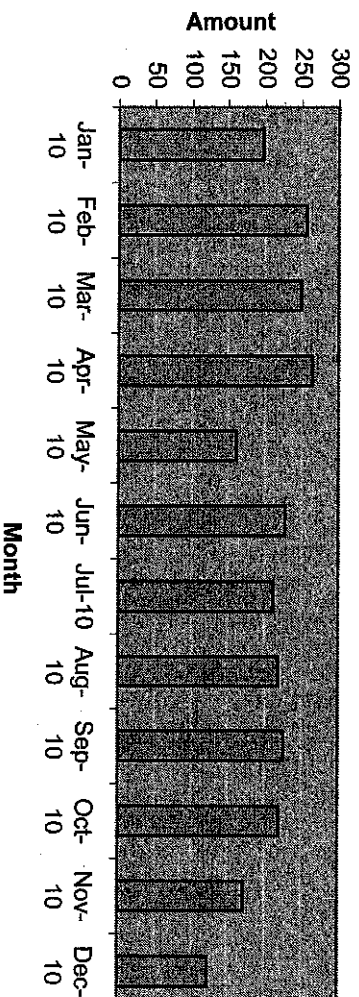
**2011 Approved Applications**



# **Real Estate Licenses Approved by Type 2010**

| Type of License           | Jan-10     | Feb-10     | Mar-10     | Apr-10     | May-10     | Jun-10     | Jul-10     | Aug-10     | Sep-10     | Oct-10     | Nov-10     | Dec-10     | Yearly Total |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| Affiliate Broker          | 116        | 164        | 129        | 141        | 102        | 148        | 132        | 132        | 118        | 123        | 100        | 73         | 1478         |
| Broker                    | 27         | 23         | 34         | 27         | 10         | 25         | 25         | 19         | 25         | 28         | 14         | 16         | 273          |
| Non-Resident              | 15         | 15         | 22         | 22         | 8          | 9          | 18         | 13         | 19         | 15         | 17         | 11         | 184          |
| Firm                      | 30         | 27         | 23         | 20         | 14         | 22         | 21         | 19         | 28         | 33         | 17         | 14         | 268          |
| Non-Resident Firm         | 5          | 5          | 9          | 9          | 4          | 9          | 10         | 7          | 5          | 4          | 12         | 8          | 87           |
| Timeshare                 | 4          | 21         | 28         | 41         | 19         | 13         | 3          | 21         | 30         | 13         | 11         | 1          | 205          |
| Vacation Lodging Services | 0          | 2          | 1          | 1          | 1          | 2          | 0          | 5          | 1          | 2          | 1          | 0          | 16           |
| Acquisition Agent         | 0          | 0          | 3          | 4          | 3          | 0          | 3          | 3          | 0          | 2          | 0          | 0          | 18           |
| <b>Totals</b>             | <b>197</b> | <b>257</b> | <b>249</b> | <b>265</b> | <b>161</b> | <b>228</b> | <b>212</b> | <b>219</b> | <b>226</b> | <b>220</b> | <b>172</b> | <b>123</b> | <b>2529</b>  |
| Real Estate Firm Closures | 27         | 19         | 19         | 7          | 11         | 20         | 8          | 10         | 17         | 15         | 16         | 13         | 182          |
| Real Estate Firm Retired  | 8          | 10         | 7          | 5          | 0          | 26         | 6          | 16         | 8          | 5          | 11         | 6          | 108          |
| Vacation Lodging Retired  |            |            |            |            |            | 1          |            |            |            |            |            |            | 1            |

**2010 Approved Applications**



**TENNESSEE REAL ESTATE COMMISSION**  
**Education Agenda**  
**October 2011**

**CR = Classroom I = Internet**  
**PP = Paper & Pencil W= Webinar**

**Courses Presented for Commission Evaluation**

| <b>Sponsor/Address/<br/>Contact</b>                                         | <b>Title/Statutory &amp;/or Rule<br/>Addressed</b>                                                                                                | <b>Comment</b>                                                                                                                                                                                                                                                                                                                                                                                    | <b>Instructor(s)</b>                                                                                                                                                                 | <b>Hours</b> |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| CCIM Institute<br>(1260)<br>Chicago, IL<br><br>Madeline AC<br>Williams      | Preparing to Negotiate (I)<br>Rule 1260-5-.03(5)(a)3,6<br>Contracts, Investment<br>O1                                                             | <b>ARELLO Approved.</b> This interactive course will provide licensee with skills needed in negotiation. This model is customized to the commercial real estate environment and shall present concepts, interactive practice opportunities, quizzes and scenario-based practice exercises throughout the course.                                                                                  | <b>Patricia Lynn-</b><br>Broker in CA since 1985; PB of two firms specializing in Commercial land and development; senior CCIM Institute instructor BA degree.                       | 6            |
| Care+er The Real Estate Learning Center (1381) Memphis, TN<br><br>AS Harris | 60 Hour Pre-License (PP)<br>Rule 1260-5-.03(3)a-1<br>O2                                                                                           | This is the Basic Principles Pre-License course delivered by correspondence.                                                                                                                                                                                                                                                                                                                      | <b>Acquanetta Harris-</b><br>previously approved instructor.                                                                                                                         | 60           |
| Carter Management Solutions (1402) Brentwood, TN<br><br>Helen Carter        | Agency (CR) Rule 1260-5-.03(5)(a) 4 Agency<br>O3                                                                                                  | This course will examine the Tennessee Agency Law and how licensees can effectively use it in their business practices and how to explain agency relationships to customers and clients.                                                                                                                                                                                                          | <b>Helen Carter-</b><br>previously approved instructor.                                                                                                                              | 4            |
| Gayle Bickham<br>Atlanta, GA<br><br>Gayle Bickham                           | How to Grow Your Real Estate Practice Through Social Media Marketing Parts (CR) Rule 1260-5-.03(5)(a) 16, 17 Ethics, Professional Liability<br>O4 | This course is broken into 5 days and licensees will learn how to establish brand identity and how to focus on a specific topic area within the real estate field; build a trust factor and become an expert authority; become aware of the social media and website tools being used by the public and other licensees; and how to implement safety features with client's personal information. | <b>Gayle Bickham-</b><br>GA Broker license; 20 years experience in the real estate industry; attended Cascade College and Clark Atlanta University; 3 years of mentoring experience. | 24           |

|                                                                    |                                                                                                                                                       |                                                                                                                                                                                                                                                                                               |                                                                                                       |   |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---|
| Kristy Hairston<br>Goodlettsville, TN<br><br>Kristy Hairston       | Successfully Showing and Selling HUD Homes (CR) Rule 1260-5-03(5)(a) 1,3,5,9,10 Valuation, Contracts, Financing, Taxation, Closing O5                 | This course will provide licensees with updates made to PEMCO HUD Listings. The course will provide the updates from pre-listing to closing.                                                                                                                                                  | <b>Kristy Hairston- TN</b><br>Licensee; Certified Distressed Expert; HUD neighborhood listing Broker. | 2 |
| Greater Chattanooga Association of REALTORS (1073) Chattanooga, TN | How To Master the Art of Listing (CR) Rule 1260-5-.03(5)(a) 3,4, 17 Contracts, Agency, Professional Liability O6                                      | This course will help licensees identify the essential components of a professional listing presentation to a seller explaining the process, the importance of proper pricing, marketing, weekly communication and customer service.                                                          | <b>Frank Mears, Susan Barnette-</b><br>previously approved instructors.                               | 3 |
| Susan Barnette                                                     | Getting to Yes: How to Master Negotiations (CR) Rule 1260-5-03(5)(a) 3,4,17 Contracts, Agency, Professional Liability O7                              | This course is designed to provide basic negotiation skills to help licensees achieve better results for their clients. The course will provide the purpose and process of relationship and contract negotiation as well as the types and pitfalls of negotiation.                            | <b>Frank Mears-</b><br>previously approved instructors.                                               | 3 |
|                                                                    | Short Sales, REO's, HUD and VA Repo's- What Every Agent Needs to Know (CR) Rule 1260-5-03(5)(a) 3, 4, 17 Contracts, Agency, Professional Liability O8 | This course shall provide the basic knowledge of the foreclosure process and identify alternatives available to the homeowner through government and lender modification, short sale, and the process for disposition of Lender, VA and HUD inventory.                                        | <b>Frank Mears, Susan Barnette-</b><br>previously approved instructors.                               | 3 |
|                                                                    | Expired, FSBO's and Other Dirty Words (CR) Rule 1260-5-03(5)(a) 3, 4, 17 Contracts, Agency, Professional Liability O9                                 | This course is designed to teach proven techniques to licensees that get results for sellers that need assistance in selling property. Licensees shall also learn the ways to identify why property does not sell and demonstrate to the consumer necessary components of marketing property. | <b>Frank Mears, Susan Barnette-</b><br>previously approved instructors.                               | 3 |
|                                                                    | The Power of Video (CR) Rule 1260-5-.03(5)(a)7,14,15,16,17 License Law, Fair Housing,                                                                 | This course will illustrate how licensees can incorporate video in the business. Purpose and process of creation, optimization and production will be discussed. The course will give ample                                                                                                   | <b>J Brian Miles-</b><br>previously approved instructor.                                              | 2 |



|                                                             |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                 |    |
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|                                                             | Antitrust, Ethics, Professional Liability O10                                                                                                 | attention to TREC license law, Fair Housing, Antitrust, Ethics and Professional Liability.                                                                                                                                                                                                                      |    |
|                                                             | Guidelines in Perfecting Your BPO Report (CR) Rule 1260-5-03(5)(a) 1 Valuation O11                                                            | This course will prepare licensees in providing detail explanations of various Broker Price Opinion components to complete a transparent conclusion report related to the market condition on a specific property.                                                                                              | 6  |
|                                                             | Working With Buyers Purchasing A Short Sale, REO or A New Construction Home (CR) Rule 1260-5-03(5)(a) 1,3,4, Valuation, Contracts, Agency O12 | This course will detail the process and the purpose of purchasing short sales and REO's; verifying the property condition before offer submission; explaining loss mitigation; REO Seller contingencies; detail must have trends in new construction; and construction facts for a buyer.                       | 6  |
|                                                             | Short Sale Specialist (CR) Rule 1260-5-03(5)(a) 1, 3,10 Valuation, Contract, Closing O13                                                      | This course will discuss the qualifications to utilize loss mitigation procedures; listing short sales; process of a FHA, VA, Fannie Mae, and Freddie Mac pre-foreclosure; and a discussion on credit scoring.                                                                                                  | 6  |
|                                                             | Real Estate Owned Specialist (CR) Rule 1260-5-03(5)(a) 1,3,4,10 Valuation, Contracts, Agency, Closing O14                                     | This course will discuss the purpose and process of becoming skilled in the REO process; how to manage the REO Property; what to expect when working with a REO Buyer; and the types of financing available for REO's.                                                                                          | 12 |
|                                                             | Property Management, Rent, Lease, Tenants (CR) Rule 1260-5-03(5)(a) 8, 9 Property Management, Taxation O15                                    | This course detail the factors that influence rent; licensing requirements; tax deductions; fair housing laws; ADA; Property management agreements; Tennessee Uniform Residential Landlord and Tenant Act; how to set up rental process; types of insurance and risk reduction required in property management. | 12 |
| Institute of Real Estate Management-IREM (1089) Chicago, IL | Human Resource Essentials For the Real Estate Manager-HRS 402 (CR) Rule 1260-5-03(5)(a) 8,16,17 Property Management, Ethics,                  | This 2 day IREM course will explore how to select staff; examine financial gains and impact; explain legal issues; outline planning procedures; discuss recruiting and selection of staff; describe different training methods; and                                                                             | 13 |

| Tracye Davis-Rhea                                                                                                                                            | Professional Liability O16 | define conflict management.                                                                                                                                                                                                                                                                                                                                                                                                                                  | Designation; IREM faculty.                                                                                                                                                                                                                                                                             |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Successful Site Management<br>– RES 201 (CR) Rule 1260-5-03(5)(a) 8 Property Management O17                                                                  |                            | This 5 day IREM course defines human resources and relationship management and allows licensees to implement a business and HR plan for their property management staff; non-verbals, conflict styles, retention rate and management styles will be discussed. Licensees shall also review accounting terms and review financial documents. Licensees shall also cover in the (5) days maintenance issues, legal and risk management, ethics, and marketing. | <b>Rae Stewart- TN</b><br>Broker- Grandfathered; Assistant VP of TESCO Properties; IREM Faculty member, CPM designation;<br><b>Karen Shultz- TN</b><br>Broker- Grandfathered; IREM Faculty, CPM designation; Property Supervisor with Freeman Webb Company.                                            | 35 |
| Investment Real Estate: Financing & Valuation ASM 603 Part 1 (CR) Rule 1260-5-.03(5)(a) 1, 5, 6, 8 Valuation, Financing, Investment, Property Management O18 |                            | Licensees during this designation course will master the economics of real estate investments by discussing business cycles, financing sources and loan calculations.                                                                                                                                                                                                                                                                                        | <b>Steve Easton-</b><br>founder and sole owner of Easton Realty in St. Petersburg, FL; holds a FL and CA broker license; CCIM and GRI designations.<br><b>Carol Sweet-</b><br>property manager for H.M. Heckle and Company in Memphis; TN Broker License; 1989 Certified Property Manager of the Year. | 13 |

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| Investment Real Estate:<br>Financing & Valuation ASM<br>604 Part 2 (CR) Rule 1260-5-.03(5)(a) 1, 5, 6, 8 Valuation, Financing, Investment, Property Management O19               | This course will discuss the importance of Time Value of Money, its component and application as well as Discounted Cash Flow and Leases.                                                              | <p><b>Steve Easton-</b> founder and sole owner of Easton Realty in St. Petersburg, FL; holds a FL and CA broker license; CCIM and GRI designations.</p> <p><b>Carol Sweet-</b> property manager for H.M. Heckle and Company in Memphis; TN Broker License; 1989 Certified Property Manager of the Year.</p> | 13 |
| Investment Real Estate:<br>Financing & Valuations ASM<br>605 Part 3 (CR) Rule 1260-5-.03(5)(a) 1, 5, 6, 8, 9 Valuation, Financing, Investment, Property Management, Taxation O20 | This course takes a look at taxation and explains its impact on real estate investing, the highest and best uses for a property, illustrates property performance assessments, and cash flow analysis. | <p><b>Steve Easton-</b> founder and sole owner of Easton Realty in St. Petersburg, FL; holds a FL and CA broker license; CCIM and GRI designations.</p> <p><b>Carol Sweet-</b> property manager for H.M. Heckle and Company in Memphis; TN Broker License; 1989 Certified Property Manager of the Year.</p> | 6  |

|                                                                       |                                                                                                                     |                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |
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| <p>IREM-Nashville<br/>(1340)<br/>Nashville, TN<br/>Crystal Waller</p> | <p>Greening Existing Buildings<br/>(CR) Rule 1260-5-03(5)(a) 2,<br/>8 Construction, Property<br/>Management O21</p> | <p>This course shall inform and educate property managers of various building types on the purpose and process for sustainable operations of existing structures. Sustainable practices, tenant relations, capital expenditures, cost savings and marketability will be key topics in this course.</p> | <p><b>James Qualk- VP</b><br/>of Sustainable<br/>Solutions Group;<br/>Engineering Degree;<br/>Member of US<br/>Green Building<br/>Council and other<br/>national<br/>sustainability<br/>organizations;<br/>extensive project<br/>experience and<br/>speaking<br/>engagements on<br/>sustainability.<br/><b>Brook Nicholson-</b><br/>BS degree, member<br/>of BOMA- Building<br/>Owners and<br/>Managers Assn,<br/>USBGC- United<br/>States Green<br/>Building Council,<br/>current speaker on<br/>LEED-Leadership in<br/>Energy and<br/>Environmental<br/>Design EB for<br/>BOMA, former<br/>panelist at<br/>Vanderbilt<br/>Sustainability<br/>Summit, 5 years<br/>property manager<br/>with Spectrum<br/>Properties.<br/><b>Eric Sheffer- Senior</b><br/>Project Manager</p> | <p>2</p> |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|

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|                                                          |                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                         | with Sustainable Solutions Group; BS and MS in Sustainability and Biology/Ecology; Numerous LEED projects and certifications.                                                                                                                                                  |   |
| McKissock, LP<br>(1338)<br>Warren, PA<br>Brandi Marshall | Live Webinar- Current Issues in Fair Housing (W) Rule 1260-5-.03(5)(a) 14 Fair Housing O22                                                | <b>ARELLO APPROVED.</b> This webinar course uses "ilinc" software and will discuss the history of Fair Housing and shall examine the most pertinent legislation in force today. Topics such as discrimination, compliance, legislation, process and procedure, and suggestions to eliminate discriminatory practices in sales, rentals and financing of real estate shall be addressed. | <b>Susan Davis-</b> previously approved instructor.                                                                                                                                                                                                                            | 3 |
| NAIKnoxville<br>Knoxville, TN<br>Christina Rouse         | Technology: Optimizing Commercial Real Estate (CR) Rule 1260-5-.03(5)(a)1,6, 8 Valuation, Investment Real Estate, Property Management O23 | This day long seminar will offer tools for licensees engaged in the commercial real estate business to maximize their business by discussing approaches to selling surplus REO; how to self-evaluate service provided to clients; become familiar with online data mining and lease administration; and analyze a business plan for marketplace relevance.                              | <b>David Blanchard-</b> Executive Vice President of NAI Global and their founding role in the creation of NAI's specialty council program which serves Industrial, Office, Investment, Retail, Land and Corporate Services Council; SIOR 2008 and 2009 Instructor of the Year. | 6 |
| NBI, Inc (1123)<br>Altoona, WI<br>Lynnda Peterson        | Top 10 Title Defects-Cured (CR) Rule 1260-5-.03(5)(a) 9,10 Taxation, Closing O24                                                          | This course takes common issues in title defects found by industry practitioners and provides the best practices for curing each one. Issues such as easement, encroachment, judgment liens, mechanics liens, defective mortgage foreclosure,                                                                                                                                           | <b>Catherine Gwyn-</b> An associate with Gullet Sanford Robinson & Martin PLLC; practiced in                                                                                                                                                                                   | 7 |

|                                                                        |                                                                                                                                     |                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
|                                                                        |                                                                                                                                     | tax liens, and issues with the chain of title shall be addressed.                                                                                                                                                                                                                   | the area of real estate law since 1987.<br><b>Mary Beth Hagan</b> – practices in the areas of construction litigation, probate and general civil liabilities; member of Blankenship, Blankenship & Hagan, PLLC.<br><b>Christopher Raybeck</b> – practices in the areas of commercial lending and commercial real estate transactions; member of Bone McAllester Norton, PLLC.<br><b>Kenneth Campbell</b> – previously approved. |   |
| Smith Sholar Milliken, PLLC (1375) Gallatin, TN<br><br>Jennifer Thomas | How to Make More Money (CR) Rule 1260-5-.03(5)(a) 3,4, 7, 16, 17 Contracts, Agency, License Law, Ethics, Professional Liability O25 | This course uses a catchy title to encourage licensees to think about how to minimize cost of business while complying with TREC and NAR Code of Ethics. Course will also discuss three case studies using actual jury results or settlements as an experiential learning activity. | <b>Brian Smith, Todd Sholar, Trudy Milliken</b> - previously approved instructors.                                                                                                                                                                                                                                                                                                                                              | 2 |
| Susan Barnette (1397) Cleveland, TN                                    | RESPA (CR) Rule 1260-5-.03(5)(a) 3,7,10,16,17 Contracts, License Law, Closing, Ethics, Professional                                 | This course will educate licensees on the Federal RESPA (Real Estate Settlement Procedures Act) law and will have the basic knowledge of RESPA red flags.                                                                                                                           | <b>Susan Barnette</b> - previously approved instructor.                                                                                                                                                                                                                                                                                                                                                                         | 3 |

|                                                                  |                                                                                                            |                                                                                                                                                                                                                                                                                                                                |                                                                                                                      |   |
|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---|
| Susan Barnette                                                   | Liability O26                                                                                              |                                                                                                                                                                                                                                                                                                                                |                                                                                                                      |   |
| The Columbia Institute (1463)<br>San Antonio, TX<br>Jeanne Crane | Mortgage Fraud-Appraiser Risk Management, No. 027 (CR) Rule 1260-5-03(5)(a) 5 Financing O27                | On completion of this course, a licensee will have a better understanding of USPAP and fraud; history of mortgage system and fraud; identify fraud; fraud occurrence; issues in predatory lending and flipping; and federal activities.                                                                                        | <b>Ameilia Brown,<br/>George Harrison,<br/>Diana Jacob,<br/>Bryan Reynolds-</b> all previously approved instructors. | 5 |
| Walker Business Systems (1409)<br>Cunningham, TN<br>Brian Walker | Homes For All- Serving People With Disabilities (PP) Rule 1260-5-03(5)(a) 2, 5 Construction, Financing O28 | This course will explore and provide an overview of a market and focus on people with disabilities within the market; provide clarification on people with disabilities and what needs they might have in a home; financial programs available; issues in accessibility; creating a market niche for people with disabilities. | <b>Kevin Van Aken-</b> previously approved instructors.                                                              | 4 |
|                                                                  | Mortgage Fraud & Predatory Lending (PP) Rule 1260-5-03(5)(a) 5 Financing O29                               | This course will address the issues of predatory lending and fraud. Licensees will be taught to recognize these activities and offer protection to their clients.                                                                                                                                                              | <b>Brian Walker-</b> previously approved instructors.                                                                | 4 |

#### Courses Requiring Discussion

| Sponsor/Address/<br>Contact | Title | Comment | Instructor(s) | Hours |
|-----------------------------|-------|---------|---------------|-------|
|                             |       |         |               |       |

## **REQUEST FOR INSTRUCTOR APPROVAL (October 2011)**

1. Sally Cummings of TAR (1110) requests the approval of Bobby Wood to teach NAR Ethics 2009-2012 Course (6256). Mr. Wood is a previously approved instructor for both TAR and EMTAR and holds a Tennessee Brokers License.

It would appear Mr. Wood is qualified to instruct this course.

2. Sally Cummings of TAR (1110) requests the approval of Monica Neubauer to teach Generation Buy Course (6697) and e-PRO Day One Course (6665). Ms. Neubauer is a previously approved course provider and is approved to teach at six (6) approved schools.

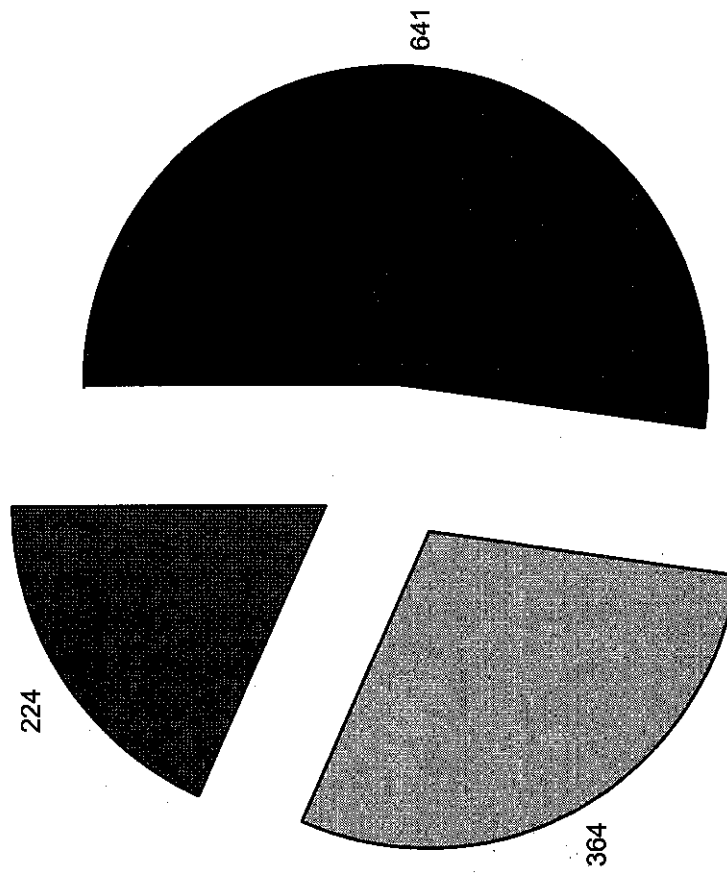
It would appear Ms. Neubauer is qualified to instruct this course.

3. Sally Cummings of TAR (1110) requests the approval of Randall Fly to teach the TREC Core Course (6520). Mr. Fly is a previously approved instructor and has completed the Core Course as required by TREC.

It would appear Mr. Fly is qualified to instruct this course.

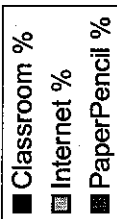
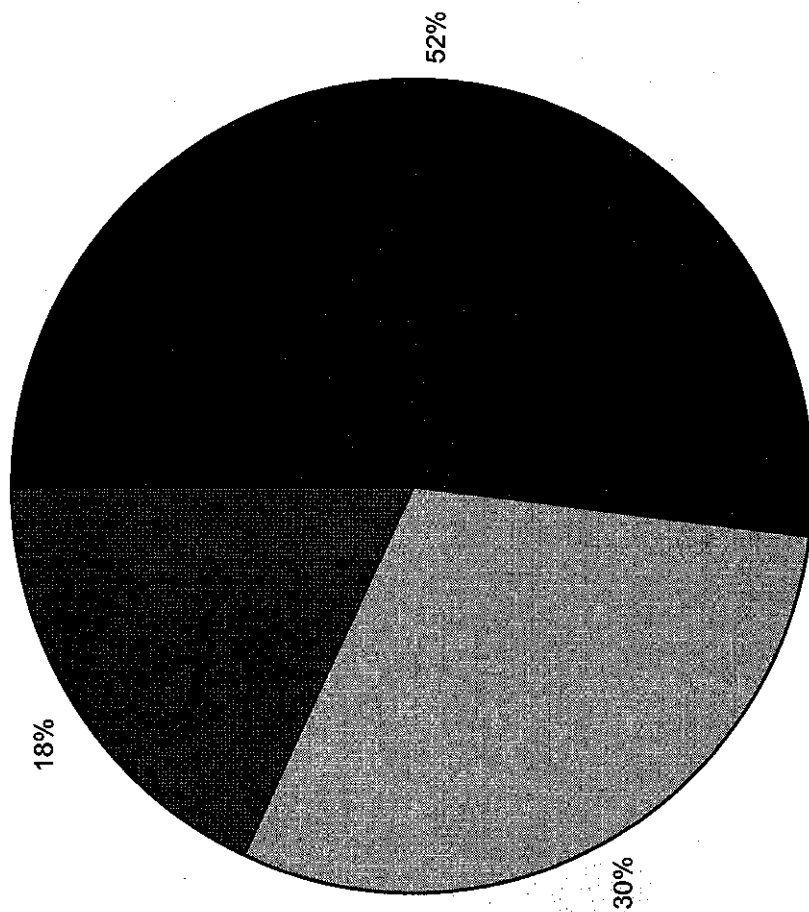


**October Course Delivery Totals\*: 1229 Pre-License and Continuing Education Courses**  
**\*before October 2011 Education report approvals**



■ Classroom  
■ Internet  
■ Paper/Pencil

**October 2011 Course Delivery Percentages**



### **October 2011 Poll**

These questions were sent out via surveymonkey.com to the local associations.

1. Do you read the TREC News-Journal?

|                                         |     |
|-----------------------------------------|-----|
| Yes, I find it online.                  | 60% |
| No, I have not received it in the mail. | 40% |

2. Should Principal Brokers have a required education course to complete within their licensing period?

|     |     |
|-----|-----|
| Yes | 68% |
| No  | 32% |

3. Do you think the "grandfather" modifier should be removed and all licensees take continuing education?

|     |     |
|-----|-----|
| Yes | 73% |
| No  | 27% |

4. How would you prefer your Errors & Omissions Insurance to expire and renew?

|                                                        |     |
|--------------------------------------------------------|-----|
| With the renewal and expiry of my real estate license. | 65% |
| With my birth date.                                    | 2%  |
| December 31 of every two years.                        | 32% |
| None of the above.                                     | 1%  |



**STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
OFFICE OF LEGAL COUNSEL  
Davy Crockett Tower,  
500 James Robertson Parkway  
NASHVILLE, TENNESSEE 37243  
(615) 741-3072 fax 615-532-4750**

**MEMORANDUM**

**TO:** TENNESSEE REAL ESTATE COMMISSION

**FROM:** MARK K. GREEN, Assistant General Counsel

**SUBJECT:** OCTOBER LEGAL REPORT

**DATE:** October 13, 2011

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**1. 2011017291**

**Opened: 7/12/11**  
**First License Obtained: 6/18/2010**  
**License Expiration: 6/17/12**  
**E&O Expiration: 1/15/2013**  
**Type of License: Affiliate Broker**  
**History: None**

TREC opened complaint on Respondent for failing to disclose criminal convictions on his application. He was licensed on 6/18/10. Subsequent information received reveals numerous charges including aggravated robbery and felony theft of property for which he pleaded guilty in 2005. His last arrest was for DUI and Reckless Driving in 2009. In his response, Respondent states he was told by someone at the school where he did his pre-licensing courses not to reveal the convictions. He states that he has made bad choices in his life and that he has started his life anew. He is affiliated with a real estate company in his hometown. He sent letters of recommendation in by his principal broker and another business person.

**Recommendation: Commission voted to set for a formal hearing.**

**Updated: Under 4-5-320(c) the Commission is required to make the Respondent of what he can do in order to remedy the allegations prior to a notice of charges. It is my recommendation that a civil penalty of \$3000.00 and a one year suspension of his license be offered in order to comply.**

**2. 2010032091**

**Opened: 11/19/10**  
**First License Obtained: 6/15/2009**  
**License Expiration: 6/14/2013**  
**E&O Expiration: 7/13/2013**  
**Type of License: Timeshare Salesperson**  
**History: None**

This complaint was opened in November 2010. There was a service issue and during the transition in the legal department was filed accidentally in the completed case file. Upon discovery it was found that the original citation issued by the department had not been served upon the Respondent for failure to transfer or retire his license. During the time this matter has been corrected and there is no need to proceed further.

**Recommendation: Dismiss**

**3. 2011017401**

**Opened: 5/19/11**  
**First License Obtained: 2/27/1991**  
**License Expiration: 5/20/2013**  
**E&O Expiration: 1/1/2013**  
**Type of License: Principal Broker at the time the complaint was filed (down-graded to Broker 7/26/2011)**  
**History: None**

**4. 2011017402**

**Opened: 5/19/11**  
**First License Obtained: 7/26/2006**  
**License Expiration: 7/25/12**  
**E&O Expiration: 1/1/2013**  
**Type of License: Affiliate Broker**  
**History: None**

**5. 2011017403**

**Opened: 5/19/11**  
**First License Obtained: 10/25/2007**  
**License Expiration: 10/24/13**  
**E&O Expiration: 1/1/2013**  
**Type of License: Affiliate Broker (Retired 6/30/2011)**  
**History: None**

Complaint opened due to a contract dispute between seller and Respondents representing him. The sole issue was whether or not seller authorized agreeing to pay 2% closing costs in several counter offers. It is contractual in nature and no evidence of violating the Broker's Act. Parties have since settled the matter.

**Recommendation: Dismiss**

**6. 2011009941**

**Opened: 5/18/11**  
**First License Obtained: 4/8/1997**  
**License Expiration: 1/6/13**  
**E&O Expiration: 1/1/2013**  
**Type of License: Principal Broker**  
**History: 2 (2003, 2004)**

Parties are each represented by counsel and this matter is currently before the Circuit Court. It is primarily a contract dispute where by seller/Complainant alleges the Respondent of breaching a fiduciary duty under the duties owed to all parties chapter of 62-13-403. As it relates to potential Broker Act violations, the question for consideration is whether the Respondent acted intentionally to defraud the Complainant, who was represented by real estate agent themselves. The Complainant alleges the Respondent knew that two checks totaling \$150000 were not good after they were deposited in the Respondent's escrow account and that she failed to report this. The standard under 62-13-403(2) requires actual knowledge. There may be a violation of a duty, but there is no evidence before the Commission to prove or disprove such. Respondent, through her attorney, denies any actual knowledge and has requested this matter be deferred until the litigation is complete.

**Recommendation: Close pending litigation.**

**7. 2011020101**

**Opened: 8/8/11**  
**First License Obtained: 2/6/2002**  
**License Expiration: 7/29/13**  
**E&O Expiration: 1/15/2013**  
**Type of License: Affiliate Broker**  
**History: None**

Complaint alleges that the Respondent (Complainant's listing agent) deliberately misrepresented the fact that a potential buyer had been pre-approved by a city government assistance program and that she revealed confidential information to a third party (Complainant's parents).

Complainant, her husband and the Respondent entered an exclusive listing agreement and agency agreement for a rental property they owned on March 26, 2011. This action arose through Respondent notifying Complainant of an offer on a rental property they owned. According to Complainant, the Respondent stated she had verified that this buyer was pre-approved for a city/government loan program but that the buyer needed to move in immediately. Respondent even provided a copy of this programs packet of information and gave it to the Complainant. On May 11, 2011, a contract was executed and signed by the parties and contingent upon financing. Closing was set for September 30, 2011. Additionally, a Temporary Occupancy Agreement and a separate Lease Agreement was entered into whereby the buyer would pay Complainant 1000.00 per month during the occupancy. Additionally, such agreement stated that if the buyer was unable to get financing then she agreed to vacate the premises within thirty days. Buyer did make payments afterwards for rent and there is no allegation she has not. However, sometime after the contract execution, the Complainant discovered that buyer had not been preapproved for any financing and that in fact she had been denied, had several judgments against her and had a credit rating "below 400."

The Respondent had already placed a "sold" sign on the property and also changed its status on the MLS. Upon discovering that the financial condition of the buyer, the Complainant ordered Respondent to change it back and continue to sale the home. Respondent did re-list the property but put a provision in the listing without Complainant's approval that the home could not be moved into for one year. She admits to doing this and stating that she believed she had to because of the lease agreement. The lease agreement (provided by her) does not state that. It does state that the lease expired within one year OR thirty days after the sale of the property.

Additionally, the Respondent states in her answer that she did not state she had verified the fact that buyer had been preapproved. She stated only that she was familiar with the program. However, in the documentation that she (Respondent) provided, there is contradictory email to Complainant that she was "mistaken" about the buyer being preapproved.

As far as the confidential information discussed with the parents of Complainant, it appears that they were assisting Complainant with the transaction. E-mails show the Complainant acknowledging and arranging conversations between her parents and the Respondent. Though a written authorization would be the best practice, there does appear to be a waiver by the Complainant for Respondent to have those conversations.

There does appear that the Respondent exaggerated to her client the prospect of this person's preapproval which is a breach under 62-13-312(b)(1)(2) and 62-13-403(1)(2). Additionally, the changing of the MLS to change the availability of the property to one year stating she thought the lease required it (it did not) without notifying the Complainant breached a duty owed to Complainant under 62-13-404(2), being loyal to the interests of a client. Oddly enough, the Respondent provided what appears to be all of the documents regarding this transaction and nowhere is there a confirmation of agency status provided to an unrepresented buyer OR any type of

disclosure that the Respondent was representing both parties as required by 62-13-312(b)(7) and 62-13-405(b).

**Recommendation: Consent Order with a civil penalty of \$500.00 for each of the statutes mentioned above for a total civil penalty of \$2500.00 plus attendance of a two-day meeting of the Commission within six months.**

**8. 2011019821**

**Opened: 8/8/11**

**First License Obtained: 3/21/1990**

**License Expiration: 8/31/12**

**E&O Expiration: 1/1/2013**

**Type of License: Broker (down-graded from Principal Broker on 8/18/2011)**

**History: One Dismissal**

Complaint alleges that Complainants purchased a piece of property that they believed to be two lots. These two lots are identified as lots 19 and 20. It does not appear that a real estate company was involved or one is not identified as representing the Complainant. In January 2011 they discovered that the property had been divided and they did not own one of the lots. When Complainant researched the title she discovered Respondent and her husband had purchased the property at foreclosure and sold it to a couple in 2005. The couple could not qualify for the entire sale price so an uncle purchased the property in 2005 (apparently both lots) and he quitclaimed one lot to the couple in 2007. Apparently, the bank foreclosed but it foreclosed on one of the lots and not the other (as best I can figure out). This left the other lot still owned by the uncle and the Complainant thinking she owned them both.

According to Complainant, the property was purchased by Respondent in 2002. She is principal broker. Complainant alleges that Respondent purposefully divided the lots but did not properly record such. Respondent states she did not divide the lots that she sold the properties to the uncle in 2005 and then one was quitclaimed to the couple in 2007. Respondent did not represent any of these parties. Apparently, no one ever did a title search or survey of the properties. Complainant thought "Lot 19" included two lots and everyone else states it was two. This is a contract/title dispute.

**Recommendation: Dismiss**

**9. 2011019781**

**Opened: 8/8/11**

**First License Obtained: 8/16/2001**

**License Expiration: 8/31/13**

**E&O Expiration: 1/1/2013**

**Type of License: Principal Broker**

**History: None**



Complaint from property owner whereby it is alleged that the Respondent, property manager did not account for and return funds for a security deposit after tenant vacated the property. After the filing of the complaint, the Complainant responded that the parties had worked out the matter and it was a misunderstanding involving repairs that were made to the property.

**Recommendation: Dismiss**

**10. 2011020061**

**Opened: 8/8/11**

**First License Obtained: 1/31/2001**

**License Expiration: 3/8/12**

**E&O Expiration: 1/1/2013**

**Type of License: Affiliate Broker**

**History: None**

Complaint alleges that the Respondent, realty and auctioneer Company, did not look out for the best interests of the Complainants. Complainants' property (house plus 14.3 acres purchased for 378,000) had been on the market for 870 days and had 6 different listing real estate companies prior to the parties contracting. The Complainants contacted Respondent (a licensed agent and auctioneer) and inquired about auctioning. They originally wanted a price of approximately 278,000 the value of the most recent appraisal. The Respondent informed them that it would never bring that price at auction and they needed to try and get 150,000 to 200,000. The Complainants agreed. Respondent explained the difference between an absolute and reserve auction. Complainants (appear to have not gotten that distinction) complain that they were supposed to have an absolute auction. Further complicating the matter is that Complainants stated they could not be present at the auction and signed a contract prior to the auction for the Respondent to use after it was sold. Supposedly, a friend was going to be there to ensure the terms of the sale but he left before auction was complete.

The parties either agreed or the Respondent determined at the auction that the minimum bid (reserve) would be \$139,000. The highest bid was \$110,000 so the property was pulled. After the auction, the same night, someone approached the Respondent and said they would offer \$138,000 for it and put \$5,000 (less than the \$10% asked by the Complainants+). The Respondent wrote the contract. He also listed the property on the MLS for the price that the proposed buyer offered. Complainants were upset that they had not set the reserve and did not realize it was a reserve auction, that they had not approved the reduction of the earnest money, that the Respondent had written terms above their signature they didn't approve and that he listed it on MLS at that price. It should be noted that the auction agreement did state Respondent would have 180 day exclusive right to list the property. It did not state at what price it would be listed.

It seems difficult to believe the parties did not discuss a reserve/minimum price prior to the auction. Respondent states that it was agreed upon while Complainant states they thought it was an absolute auction (which would have sold it at \$110,000). Either way there does not appear to be a violation of the Broker's Act. There may be an issue under auctioneer law where the terms of the auction were not determined in the contract prior to its conduct, but no issue for the Commission to determine.

**Recommendation: Dismiss**

**11. 2011017871**

**Opened: 8/12/11**

**First License Obtained: 9/7/2000**

**License Expiration: 12/19/12**

**E&O Expiration: 1/1/2013**

**Type of License: Principal Broker**

**History: None**

Complaint filed by TREC from a citation issued after an audit. On March 3, 2011 at approx. 2:00 PM an auditor for the state of Tennessee visited the Respondent's firm for a routine visit. The auditor noted that the office did not appear to be in use. (Note, an audit in 2009 of this firm did show that this office was being used by the Respondent, principal broker for the firm). On April 6, 2011 at 11:00AM the auditor returned to the office and on closer inspection noted: a sign for the firm's licensed name appeared on the suite door; inside the door was one room that looked to be used for the storing of maintenance items – shovels, ladders, boxes, a dolly, outside light bulbs and computer equipment and table not in use); four TREC licenses on the wall with all showing expired dates; two licenses were for people listed as affiliate brokers for the firm; no license for one person listed as an affiliate with the firm; and, one license for a person who has not been affiliated with the firm since September 19, 2009.

An agreed citation was prepared and sent to Respondent for the failure to take proper administrative action under Section 62-13-309(3) with a proposed civil penalty of \$750.00.

Respondent answered the proposed agreed citation stating that he had not done anything wrong and that the office was still there location. He stated that they all have laptops and that they work in the field but that they maintain the office in accordance to the statute. As "ample evidence" of such he submitted a document from the Secretary of State listing the address as their place of business and a lease agreement showing he pays rent on the office of \$100.00 per month. In continued discussions between TREC and Respondent he stated that he was in compliance with the statute and that this firm met the "exceptionally vague" language of "adequate facilities for affiliated licensees."

Finally, when asked about the fact that the licenses on the firm's wall that were expired and the fact that the one person who had not had a license in to years was

affirmed to be associated with his firm the Respondent charged that TREC was being "abusive" and "wasting taxpayer money" and "unwilling to view the facts objectively."

There are clear violations of 62-13-312(b)(14), violation of any provision of the chapter, any rule promulgated and adopted thereunder, or the terms of any lawful order entered by the commission, and (16) failing within a reasonable time to complete such administrative measures required by the Commission. Specifically, the rules of conduct related are, 1260-2.01 Supervision of Affiliate Brokers, 1260-2.02 Termination of Affiliation; Section 62-13-309(a)(1)(A) which requires every firm to have a fixed location with adequate facilities and (a)(3) requiring within ten days to notify the Commission of a change of address.

**Recommendation: Consent order for a civil penalty in the amount of \$750 for each violation listed above for a total of \$3,000 plus attendance of a two-day meeting of the Commission within six months.**

**12. 2011019931**

**Opened: 8/15/11**

**First License Obtained: 6/16/2005**

**License Expiration: 7/03/13**

**E&O Expiration: 1/1/2013**

**Type of License: Affiliate Broker**

**History: None**

Complaint from consumer against a licensee who in 2009 originally contacted Complainant regarding listing her condo as she had a prospective buyer. The Complainant at that time had the property listed with another broker. The parties agreed that Respondent would list the property and Complainant notified the then current broker of the termination. The Complainant and Respondent entered into a listing agreement.

According to Complainant, the Respondent told her she from the beginning she had a prospective buyer. She told her that the woman was getting approved for financing, moving from out of state and wanted to enter into a short term lease agreement for \$700.00 per month. Complainant agreed to it and a lease agreement was entered between the parties giving the tenant first right of refusal for the term of the lease, one year.

After the lease agreement was entered, the Respondent, according to Complainant, did not aggressively market her home. There are e-mails between the two whereby the two discuss her focusing on the getting her condo sold, but the tenant apparently lived there (after the one year term expired in 2010 and on a month to month basis) until July 2011 and to Complainants knowledge, there had been very little activity as to the marketing, in spite of renewals of the lease agreement. The Respondent continued to want to allow the tenant time to attempt to get financing and since

Respondent was getting rent each month, Complainant, though complaining to Respondent), apparently did not have the urgency to terminate the lease.

Finally, after word reached the Complainant from neighbors that the Respondent had moved into the property, Complainant did some investigating and found out that the Respondent was the tenant's daughter. At that point she terminated the lease and demanded the listing agreement be terminated.

Respondent denies any wrong doing, though she admits she was the listing agent, she states at the time the lease agreement was entered Complainant was still represented by the former listing agent. She states that after the listing agreement was entered between the two that the parties discussed if the tenant bought the property, then she would be a facilitator between the parties and only charge a three percent commission to the Complainant (an email verifies this communication). Respondent also states she had no duty to disclose that tenant was her mother since if she made an offer on the house, she would at that point only be the facilitator. She does not deny she had the listing agreement. In an offer to purchase, the confirmation of agency lists Respondent as the facilitator. The Exclusive Listing Agreement entered between the parties was entered into after the residential lease agreement.

Whether the Respondent represented the Complainant at the time she entered the lease agreement is really not relevant. At the time the Exclusive Listing Agreement was entered the Respondent knew that the tenant was her mother, wanted to live there and potentially purchase the property if she could get financing, that she would be her agent, and that her mother had a difficult time being approved for financing which could effect the desires of the Complainant to sell the property. It seems to counsel that under 62-13-403(7)(A) she acted in manner that would constitute self-dealing with an immediate family member without disclosure to the Complainant. It also appears evident that the Respondent (though she said it was a mistake) attempted after she told Complainant she would only charge her 3% commission that she submitted an offer whereby the Complainant would pay 6% (this fact was caught by the Complainant and it was changed).

**Recommendation: Consent order for a violation of the above in the amount of \$1000.00 plus attendance of a two day scheduled meeting of the Commission within six months.**

\*\*Continuing Education\*\*  
MEETING – EVALUATION  
Tennessee Real Estate Commission

Your feedback is very important to TREC to ensure these meetings are supportive of your educational needs. Please complete the following survey. Name and/or signature are not required. Leave this completed form on the table in the outer lobby. (Thank you!)

Date: \_\_\_\_\_

I am (check one) \_\_\_\_\_ Affiliate Broker \_\_\_\_\_ Broker \_\_\_\_\_ Principal Broker

1. Was this meeting helpful in understanding the regulation of the Real Estate Industry in Tennessee? \_\_\_\_\_ Yes \_\_\_\_\_ No, Comments \_\_\_\_\_

2. Was this meeting helpful in understanding the enforcement of the Real Estate Industry in Tennessee? \_\_\_\_\_ Yes \_\_\_\_\_ No, Comments \_\_\_\_\_

3. What part of the meeting was most helpful? \_\_\_\_\_

4. What part of the meeting was least helpful? \_\_\_\_\_

5. Were handout materials satisfactory? \_\_\_\_\_ Yes \_\_\_\_\_ No, Comments \_\_\_\_\_

6. What areas of this meeting could use some improvement? \_\_\_\_\_

7. What topics or discussions would you find to be useful for future meetings? \_\_\_\_\_

8. Overall rating of this session on a scale of 1 to 5 (5 being the best) \_\_\_\_\_  
Comments \_\_\_\_\_

We appreciate any other comments: \_\_\_\_\_

Please continue any comments on back.